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Agenda item 13

# ADOPTION OF THE REPORT OF THE COMMITTEE ON ITS TWELFTH SESSION

Draft report

Addendum

Rapporteur: Mr. Ioan BARAC (Romania)

## Chapter V

## PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES (Item 6)

1. The Committee considered item 6 of its agenda at its 6th meeting, on 28 March 1991. It had before it the report of the Secretary-General on permanent sovereignty over natural resources (E/C.7/1991/6).

2. The report was introduced and reviewed by the Director of the Natural Resources and Energy Division, Department of Technical Cooperation for Development, who concluded his remarks by noting that the Department was ready to increase its cooperation with other members of the United Nations in providing developing countries with the information, advisory services and training necessary to help them develop suitable policies to ensure faster economic growth while adhering to the principle of permanent sovereignty over natural resources.

3. The Chairman noted that the report supplied the Committee with the information sought by it at its eleventh session.

4. One of the delegates suggested that the report should have been distributed to Committee members earlier, so as to give them sufficient time to study it and make the necessary comments on it. He observed that the principle of permanent sovereignty over natural resources had been consistently invoked by developing



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countries since 1952 and reflected concern with their economic development. In 1974, when the principle was validated by international law, it had been invoked by the developing countries in the renegotiation of contracts during the transitional period from colonial to independent status. More recently, the exercise of the right to permanent sovereignty had focused on means of attracting foreign investment. The delegate noted that at its eleventh session the Committee had emphasized the scarcity of financial resources for investment. The national investment policies of developing countries did not adequately address the concerns of investors, who did not want to undertake prospecting under uncertain conditions. Thus there was considerable need for information services in the field of natural resources. His delegation strongly supported detailed mineral feasibility studies in developing countries and the establishment of a database within the United Nations containing information on available mineral and petroleum investment opportunities in developing countries. UNIDO had launched such a project focusing on industrial investment opportunities. He observed that in order for the principle of permanent sovereignty over natural resources to be meaningful and attract investment, developing countries needed valid legal contracts and sound legislation. He concluded that the Department of Technical Cooperation for Development could play an important role in providing the services necessary for developing standard legal contracts and for promoting investment in and efficient management of mineral resources in developing countries.

5. Another delegate focused on the relationship between permanent sovereignty over natural resources, sustainable development, and global environmental concerns. While endorsing the validity of the principle of permanent sovereignty, he stressed that in view of the deepening global environmental crisis, the exercise of permanent sovereignty must be reconciled with the need to safeguard the environment. It was the responsibility of the State to exercise restraint while exercising sovereignty over its natural resources. The principle of sovereignty was totally compatible with other important principles, such as the responsibility of the State for environmental protection or for damage inflicted by it. The need for new, sound, alternative, energy-efficient technology was crucial in order to curb environmental damage and promote sustainable development. He pointed out that transnational corporations had the requisite technology, but developing countries faced difficulties acquiring it due to economic costs and lack of access. According to him, private corporations could often gain access through joint ventures, but the institutional apparatus of the State was different. New, clean technology was understood to have three features: reasonable cost, guaranteed access, and technical information. He proposed that appropriate international mechanisms should be set up for transfer of new, clean technology for mitigating environmental consequences. Questions of intellectual property should not constitute an obstacle to access to clean technologies. He concluded that developing countries should, nevertheless, enhance and develop their indigenous capacity to create and develop sound technology.

6. It was felt that international cooperation (and the relevant financial resources required) should be mobilized to ensure that developing countries be provided with the information, advisory services and training they needed to assist

them to develop and implement policies for ensuring economic growth while adhering to the principles of permanent sovereignty over natural resources and of sustainable development. Sustainable mining could contribute to sustainable development and international cooperation on global economic concerns.

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## Chapter VI

## NEW TECHNIQUES, INCLUDING REMOTE SENSING, FOR IDENTIFYING, EXPLORING FOR AND ASSESSING NATURAL RESOURCES (Item 7)

1. The Committee considered item 7 of its agenda at its 5th meeting, on 28 March 1991. It had before it a report of the Secretary-General on information referral systems on satellite remote-sensing data (E/C.7/1991/7).

2. The representative of the Department of Technical Cooperation for Development introduced the report on new techniques, including remote sensing, for identifying, exploring for and assessing natural resources. He informed the Committee of two events in the Natural Resources and Energy Division related to remote-sensing activities: a seminar on the receiving and processing of digital satellite data, to be held in 1991 in Berlin, and a United Nations seminar to be held during the Congress for the International Society for Photogrammetry and Remote Sensing, in September 1992 in Washington, D.C. The Division, he said, had also serviced the Twelfth United Nations Regional Cartographic Conference for Asia and the Pacific in February/March.

3. One delegation noted that the report contained interesting information which would assist countries to obtain data on their natural resources through existing

national and international remote-sensing systems. It also noted with satisfaction that the Department had fulfilled, at a high technical level, the request by the Committee on Natural Resources and the Economic and Social Council on the subject. However, it noted that part III of the report was of a general nature and did not contain concrete information on existing projects or on criteria for developing new projects. Therefore, the delegation suggested that the Committee request the United Nations Secretariat to prepare a report presenting that information for consideration by the Committee at its thirteenth session.

4. During its consideration of the item, the Committee was also informed of the collaborative efforts in the application of remote sensing for natural resources assessment and environmental monitoring being undertaken with the Department of Technical Cooperation for Development in the Asia/Pacific region by the Economic and Social Commission for Asia and the Pacific. Those efforts were carried out by ESCAP through its UNDP-funded Regional Remote Sensing Programme. Action had been taken by the ESCAP secretariat for the continuation of activities under the United Nations regular budget.

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## Chapter VII

## COORDINATION OF PROGRAMMES WITHIN THE UNITED NATIONS SYSTEM IN THE FIELD OF NATURAL RESOURCES (Item 8)

1. The Committee considered item 8 of its agenda at its 7th meeting, on 1 April 1991. It had before it the report of the Secretary-General on activities of the United Nations system in water, mineral and energy resources (E/C.7/1989/10).

2. During the discussion, delegations expressed their appreciation for the comprehensiveness and high quality of the information contained in the report. They took note, in particular, of the conclusions concerning the fact that the guidelines adopted by the Committee at its second session were in accord with the guidelines adopted by the Mar del Plata Action Plan, 1/ the International Drinking Water Supply and Sanitation Decade, 2/ and the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. 3/ It was also noted that the rational management and the proper and effective utilization of natural resources were closely linked to the preservation and enhancement of the environment and that the Committee, in light of its priorities, had an important role to play in promoting international cooperation towards that objective. Intensified cooperation and assistance at the international level were also necessary in support of the developing countries' own efforts to create a favourable internal environment that would enable them to maintain, conserve and develop their natural resources.

3. One delegation stated that the Committee should take a more active stand in the preparatory process of the forthcoming United Nations Conference on Environment and Development. Another delegation called for the strengthening of the programme-coordination function of the Committee.

## Notes

1/ Report of the United Nations Water Conference, 14-25 March 1977 (United Nations publication, Sales No. E.77.II.A.12), chap. I.

2/ See General Assembly resolution 35/18.

3/ Report of the United Nations Conference on New and Renewable Sources of Energy, 10-21 August 1981 (United Nations publication, Sales No. E.81.I.24), chap. I, sect. A.

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## Chapter VIII

## DISASTER PREVENTION AND MITIGATION IN DEVELOPING AND UTILIZING NATURAL RESOURCES (Item 9)

1. The Committee considered item 9 of its agenda at its 5th and 7th meetings on 28 March and 2 April 1991. It had before it a report of the Secretary-General on the activities of the United Nations system concerning disaster prevention and mitigation in developing and utilizing natural resources (E/C.7/1991/11). The report was introduced to the Committee by the representative of the Interorganizational Cooperation Section of the Department of International Economic and Social Affairs.

2. The representatives of two member States and two organizations of the United Nations system took part in the discussion of the report. One delegation stated that the activities in the area of disaster prevention and mitigation had been incorporated in the five-year plan of economic and social development of its country, as well as in the programme of action of the Geological Society for the 1990s. It described some of the projects under implementation, the cooperation of its Government with neighbouring countries and the global and regional organizations which, in its view, should improve their activities in coping with the problems under consideration.

3. Another delegation stressed that the report was useful and could serve as the basis for the future study of the problem and for widening the relevant activities of the United Nations system and Governments. It expressed concern that the report did not cover the activities of certain organizations of the system - in particular, the Economic Commission for Europe, which was very active in liquidating the consequences of the Chernobyl nuclear disaster.

4. The representative of the Economic and Social Commission for Asia and the Pacific described the activities of the Commission in disaster prevention and mitigation, which were carried out mainly under the guidelines of the International Decade for Natural Disaster Reduction. They included, inter alia, seminars, missions to separate countries, mapping, projects in land use, and water and forest development.

5. The representative of the World Meteorological Organization provided updated information regarding activities of the organization related to natural disaster prevention and mitigation and, in particular, on the three projects prepared as contribution to the International Decade for Natural Disaster Reduction. It was mentioned that the Steering Committee of the Decade during its first session (Bonn, March 1991) had endorsed the projects. It was expected that countries would contribute to the implementation of the projects, in close collaboration with relevant organizations of the United Nations system.

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Rapporteur: Mr. Ioan BARAC (Romania)

## Chapter IX

## UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION (Item 10)

1. The Committee considered item 10 of its agenda at its 5th and 6th meetings on 28 March 1991. It had before it a report of the Administrator of the United Nations Development Programme on the United Nations Revolving Fund for Natural Resources Exploration (DP/1991/44 (Draft)).

2. In his introductory statement, the Director of the United Nations Revolving Fund for Natural Resources Exploration addressed the Committee on recent activities of the Fund. There had been two significant developments during the past two years.

3. The first, regarding donor involvement, was that, in addition to the regular donor countries, the Governments of Belgium, China and Italy now provided regular contributions. The Fund had signed a Memorandum of Understanding with the Ministry of Geology of the Soviet Union for the joint financing of mineral exploration projects in developing countries. The first such joint project would be initiated late in 1991 in Africa. The Government of Norway supported the just-completed study on environmental guidelines for the Fund's project activities. The study involved the participation of experts from the Department of Technical Cooperation for Development, the United Nations Development Programme and the World Bank.

4. Secondly, the Fund had signed an Agreement on Replenishment with the Government of the Philippines, and accordingly had received its first replenishment payment early in 1991. That resulted from the Fund's successful chromite exploration project on Dinagat Island in Surigao, and was one of the most significant and encouraging events in the Fund's history, since it validated the original design of revolvability which the General Assembly established in founding the Fund's activities. Mention was also made of the successful discovery of a high-grade silver deposit in San Bartolome, Ecuador, with the active participation of the Fund.

5. The Committee on Natural Resources addressed the fact that the Revolving Fund had received only one third of the voluntary contributions originally envisioned. None the less, the Fund had succeeded in discovering economic mineral deposits throughout the developing world with an in situ value of approximately $US 1.5 billion. The members of the Committee were reminded that the Fund required continuous donor support until such time as replenishment payments reached a viable level of funding.

6. The donor community was strongly urged to renew its financial assistance to the Fund, since the size of current activities would determine the level of the revolving funds available for underwriting future exploration projects.

7. One delegation expressed its appreciation to the Director of the Fund for his strong leadership and for the effort he had made to promote the projects of the Fund, despite the financial difficulties it had been facing. That delegation noted with great pleasure the first replenishment payment from the Government of the Philippines. It expressed its appreciation of the wider geographical distribution of the Fund's activities and of the fact that they were directed towards exploration for a variety of minerals and energy resources. It also noted the Fund's efforts to streamline and thereby strengthen its management through integration with the management of the United Nations Fund for Science and Technology for Development while at the same time taking care to preserve its own identity and operating procedures. The delegation urged potential donor countries to provide further assistance to the Revolving Fund.

8. Another delegation highly commended the professionalism of the implementation of the Fund's projects. The aforementioned Memorandum of Understanding was noted with great pleasure. Hope was expressed that the cooperation with the Fund to be initiated in the United Republic of Tanzania would extend and strengthen in the future.

9. Another delegation thanked the Administrator of UNDP for his report on the Revolving Fund and stated that it was much encouraged by the progress of the Fund in every aspect of its activities. It hoped that the Directorate of the Fund would disseminate more information about the achievements and experience of the Fund projects in developing countries.

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## Chapter X

## PROGRAMME QUESTIONS (Item 11)

1. The Committee considered item 11 of its agenda at its seventh meeting, on 1 April 1991. It had before it a note by the Secretary-General on proposed programmes of the Department of International Economic and Social Affairs and the Department of Technical Cooperation for Development in natural resources and energy for the biennium 1992-1993 (E/C.7/1991/CRP.1).

2. One delegation noted that the proposed programme of work seemed to exist as a compact, self-sufficient programme. Coordination with the rest of the United Nations system was not highlighted. It indicated that preparations for the United Nations Conference on Environment and Development were the focus of global attention and that the Committee on Natural Resources should take a stronger stance towards the preparations for the Conference, in light of the fact that natural resources and energy were part and parcel of the environment. It was the view of the delegation that the Committee on Natural Resources should make recommendations to the United Nations Conference on the Environment and Development relating to environmental issues associated with water resources, minerals and energy. It was noted that the work programme could be changed in light of decisions taken in 1992 at the United Nations Conference on Environment and Development. The work programme for 1992-1993 reflected an increasing emphasis on efficiency in the use of natural resources.

3. The delegation also made a number of suggestions regarding programme items in annex I and annex II of the document. It proposed that subprogramme 1 of programme 20, "Energy", be renamed "Monitoring and analysis of global energy trends and of prospective impacts on the environment and development". It also proposed that the emphasis be changed in subprogramme 1, "Coordination in the field of water resources", of programme 19, "Natural resources", and that the text start with the words "Coordination and promotion of the cooperation among the organizations of the United Nations system ..." without any changes to the original text that followed the words "United Nations system". The delegation further recommended the insertion into the part "Activities" of subprogramme 4 of programme 20, "Energy", a technical publication, "State of the mineral raw-material base of the coal-mining industry in the countries of the world (the fourth quarter of 1992)" and/or "Forecast of major trends in the development of the mineral raw-material base of the world coal-mining industry to the year 2010 (the second quarter of 1993)". It also requested the removal from the title of subprogramme 6 the expression "Development and transfer of science and technology ..." and proposed a possible new title, "Popularization of knowledge for acquaintance with new technologies in energy".

4. The delegation also highlighted the need for examining the interrelationship between major mining companies and smaller enterprises in developing countries. It underscored the importance of mining legislation for small-scale mining and proposed the convening of a small expert group meeting to develop criteria for small-scale mining.

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